

Newsletter

Message from your Chairman and Board of Directors

Welcome to our mid-year newsletter. Home Hill's special season has begun, with cooler nights introducing Winter and the sugar cane harvest taking centre stage.

Birthday celebrations were in the air as our **Community Bank**[®] branch marked its first 12 months of trading since opening on 29 June 2005. You can see from some of the photographs that we not only recognised, but also enjoyed the day. A big thank you to all who joined us for the occasion.

Our banking business achievements are summarised and explained by Branch Manager Ken Shears. However, we are happy to confirm that trading is closing on target expectations with steady, solid growth of service and support. A pleasing first year result.

Our appreciation goes to State Member for Burdekin and foundation steering committee secretary Rosemary Menkens for officially opening the newly installed Automatic Teller Machine (ATM). The acquisition of this equipment meets the service expectations of those customers who prefer the convenience

of electronic transactions. It increases those positive banking opportunities for further customer growth foreseen in the Board's original business plan, and Directors regard its installation as a significant milestone in the branch's progress.

Closure of the Company's share offer occurred on 19 May. We warmly welcome all new shareholders who now support us. Your shares are listed on

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Bill Lewis and Rosemary Menkens at the official opening of the new ATM.

Board of Directors, South Burdekin Community Financial Services Limited,
93 Eighth Avenue, Home Hill, QLD 4806

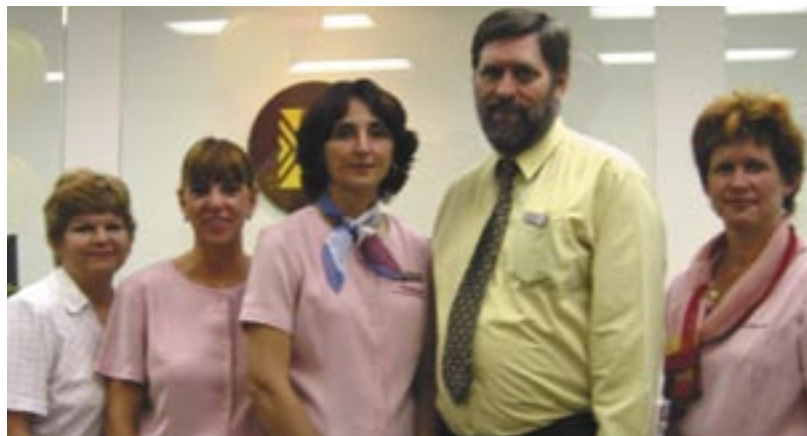
Bill Lewis (Chairman), Robyn Haller (Acting Treasurer), Joan Heatley (Secretary), Tiffany Basse,
Colin Casswell, David Jackson, Lou Loizou, Darren West.

Message from your Chairman and Board of Directors continued

the Bendigo Stock Exchange (BSX) along with those of the foundation shareholders.

Good news to hand for those who trade in shares. The Board has accepted an opportunity for Company shareholders' and customers' to trade or purchase shares online with Bendigo Bank and save. Through their relationship with E*Trade Australia, Bendigo Bank can now provide a fantastic deal in online share purchasing, with great flow-on benefits to support our local community programs. Details of this innovative offer will reach shareholders in due course. No doubt there are many people who would enthusiastically embrace the offer with your introduction.

Since April, residents of the district have been able to listen to the Burdekin Youth Radio Program on Radio 97.1 Sweet FM. Our branch proudly supports this 12 month venture as it expands and provides great shared opportunities for young participants, and for many community services and activities as well.



Branch staff from left to right: Karen, Debbie, Maria, Ken and Chris

The Company's AGM is planned for Friday 17 November. It is a distant date, but we hope you will be able join us. We will be presenting feedback on our past 12 months performance, and our staff members will be there to meet you.

In closing this brief message, here for reflection are some thoughtful words from renowned anthropologist Margaret Mead, to guide us on our true pathway: *"Never doubt that a small group of thoughtful committed citizens can change the world; indeed, it's the only thing that ever does!"*

Manager's report

As at the end of June we are still tracking well, even with sizeable deposit funds being withdrawn in late June due to the recent superannuation changes which come into effect on 1 July 2006.

Our modified target for the first year was almost \$18 million. I'm pleased to report that on our birthday we were only \$120,000 short of \$16 million of banking business on our books. We have just over \$0.5 million of loans approved and to be settled by the end

of July, and we are currently working on deals of approximately \$3 million. I'm confident these will also be settled by the end of July. An excellent result for our little branch. Thank you to all the people and shareholders who continue to support us. Don't forget to mention us to all your family, friends and acquaintances so we can grow our business as quickly as possible. This can only be done with your help.

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Manager's report continued

Isn't it good to see our ATM operational? In this day and age you need access to your funds 24 hours a day. It was such an important part of our initial business plan; however after discussions with Bendigo Bank both parties decided to wait until we reached a level of support that justified the expenditure. So now we have it, there is one more reason for transferring all your accounts to the **Community Bank®** branch.

It was recently brought to my attention that some townspeople still do not realise that our **Community Bank®** branch offers full banking services. A **Community Bank®** branch offers all services that a major bank offers, including agribusiness, leasing and chattel mortgages. Most of you would have met our Agribusiness Manager Angelo Rigano at our official opening. Angelo visits our branch on a regular basis and we now have some very satisfied cane farmers on our books, but we would love to have some more. So when you are talking about the **Community Bank®** branch to your friends, let them know that we are in the business of lending to rural businesses.

We had our first birthday on 29 June 2006. It certainly doesn't seem that 12

months ago we had baby Jayda Olsen opening her, and our, very first account, yet there she was cutting our birthday cake. It was a very good day for us and the community.

Our sponsorship of the Youth Program with Radio 97.1 Sweet FM is going well. I have heard only positive reports from the townspeople and our local young people about the program. It has certainly livened up the airwaves in the Burdekin. Good work by the radio station and by the youth of the Burdekin.

The branch was represented at several community functions over the quarter, notably the Burdekin Growers Race Day. We had two tables decorated with Bendigo Bank balloons and goodies. One of our party received a winning scratch-it on entry and invested same with a local bookmaker. The bookmaker doubled the money plus a little more. They really are nice people bookmakers, aren't they?

I look forward to seeing all our shareholders in the new financial year.

Ken Shears
Manager



Rosemary Menkens using our newly installed ATM



Jayda cutting the first birthday cake, with the help of Kellie Bojack

Staff profile

Ken Shears

Name: Ken Shears

Height: 183cm

Weight:

More than I would like, but less than it would be if I ate and drank everything I want to.

Born:

12 March 1956 (Pisces) at the Royal Brisbane Hospital, as were most babies in South East Queensland at that time.

Youth spent:

Caboolture, 45 minutes north of Brisbane. (Caboolture means "Land of the Carpet Snake"). Now I know why after a feed, I feel like having a sleep.

Family:

Wife Marg and two grown boys, Steven and Brendan

Pets:

No. I did have a dog once but he ran away, as we were never home.

Position:

Branch Manager

Towns worked in:

Bribie Island, Caboolture, Charters Towers, Greenvale, Townsville, Hermit Park, Aitkenvale, Garbutt, Bundaberg, Rockhampton, Mackay, Home Hill.

Years in financial industry:

Joined a banking organisation in Caboolture in December 1973 (remember it well because I missed my Christmas holiday break). Worked with the same Company, serving in many Queensland regional towns until I was retrenched in September 2002. Joined the Home Hill **Community Bank®** Branch on 20 June 2005. So that makes it just on 30 years.

What I did in the years 2003-2005:

I was fortunate enough to join a great Company in Townsville, Curtain Bros, in their shipping department. Whilst there I visited the Ports of Hera in East Timor and Port Moresby in PNG - it was very interesting work.

Favourite song:

Matthew and Son/Morning has Broken (Cat Stevens)

Favourite past time:

Riding my VFR800.

Favourite sport:

Rugby League Football - although it has never been the same since the super league war.

For more information please call into
93 Eighth Avenue, Home Hill
or phone (07) 4782 2249

We are open:
Monday - Friday 9.00am - 5.00pm

Home Hill **Community Bank®** Branch  **Bendigo Bank**